

MASSACHUSETTS 1115 DEMONSTRATION

FACT SHEET

Name of Section 1115 Demonstration: Pharmacy Waiver

Date Proposal Submitted: July 31, 2002

Date Proposal Approved:

Proposed Implementation Date: October 1, 2002

SUMMARY

This demonstration will provide comprehensive pharmacy benefits to low-income seniors. The state has operated a program to provide pharmacy benefit to low-income Massachusetts seniors since 1996. In 2000, the state expanded the program to provide extensive prescription drug insurance coverage to all Massachusetts elders age 65 and older regardless of income. The program provides pharmacy benefits only after members exhaust any other source of prescription drug coverage.

ELIGIBILITY

Individuals eligible for the Prescription Advantage program must meet the following requirements:

- Resident of Massachusetts
- Age 65 or older
- Income at or below 188% of the Federal Poverty Line (FPL)
- Not otherwise eligible for Medicaid.

The state does not intend to apply an asset test to the demonstration population.

BENEFIT PACKAGE

Once enrollees meet their annual deductible (discussed below), the plan would cover the full cost of prescriptions until a new plan year begins. In addition, as part of the Pharmacy Waiver, the commonwealth would promote access to existing primary health care services for those served by the waiver who do not already have health insurance coverage.

COST-SHARING

All members will pay co-payments at the point of service. The state has not provided specific

information regarding the co-payment amounts; generally, the co-payments would be divided into three categories:

- Level 1: generic drugs which are the least costly to members;
- Level 2: brand-name drugs that have been chosen for their therapeutic effectiveness and cost and are less expensive than level 3;
- Level 3: additional brand-name drugs whose co-payments can equal up to 50% of the drug's price.

The state plans to implement an annual out-of-pocket spending limit. For single members, the limit is \$2,000 or 10% of the gross annual household income, whichever is less. For married residents whose spouse is also receiving benefits, the limit is \$3,000 or 10% of their household income, whichever is less.

ENROLLMENT PROCESS

The state would develop and implement a yearly open-enrollment period. Applications would be accepted by mail and, in the future, applications may be accepted over the Internet or by other appropriate means. The Massachusetts Executive Office of Elder Affairs, which will collaborate with the Massachusetts Division of Medical Assistance in administering this demonstration, will be responsible for administering the waiver enrollment process.

DELIVERY SYSTEM

Upon enrollment, waiver program recipients would receive an identification card specific to the Pharmacy Waiver, distinct from a MassHealth (Medicaid) card, and other information pertinent to membership in the Pharmacy Waiver.

BENEFIT MANAGEMENT

The demonstration would provide benefit management through a variety of strategies:

- Performance Drug List
- Concurrent Drug Utilization Review
- Formulary Compliance

The Massachusetts Division of Medical Assistance and Massachusetts Executive Office of Elder Affairs will collaborate with other state entities to identify cost effective strategies for purchasing prescription drugs jointly for individuals served by each agency's members.

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